RP-Sanjiv Goenka Group
Growing Legacies

Phillips Carbon Black Limited

Date: September 30, 2021

BSE Limited
Corporate Relations Department
Pheroze Jeejeebhoy Towers
Dalal Street
Fort, Mumbai 400 001
Maharashtra, India

The National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai 400051
Maharashtra, India

Security Code: 506590

Symbol: PHILIPCARB

Dear Madam / Sir,

Sub: Proposed Qualified institutions placement of equity shares of face value of ₹ 2 (the "Equity Share(s)") by Phillips Carbon Black Limited (the "Company") under the provisions of Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), and Sections 42 and 62 of the Companies Act, 2013 (including the rules made thereunder), as amended (the "Issue")

We wish to inform you that pursuant to the approval accorded by the board of directors of the Company (the "**Board**"), at its meeting held on August 27, 2021, and the shareholders of the Company, pursuant to the special resolution passed through Extra-ordinary General Meeting through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") facility on September 24, 2021 the Fund Raising Committee, Committee of Directors (the "**Committee**") has, at its meeting held today i.e. September 30, 2021, *inter alia*, passed the following resolutions:

a. Approving the Unaudited Condensed Interim Consolidated Financial Statements of our Company and its subsidiaries as at and for the three-months ended June 30, 2021. A Copy of the same is attached herewith as **Annexure A**. Further, these Financial Statements will be uploaded on the Company's website at - www.pcblltd.com

b. Raising of funds by way of issue of Equity Shares, through a QIP, in accordance with the SEBI ICDR Regulations ("Issue");

c. Authorizing the opening of the Issue today, i.e. September 30, 2021;

d. Approving the floor price for the Issue, being ₹ 255.85 per Equity Share, based on the pricing formula as prescribed under Regulation 176 of the SEBI ICDR Regulations; and

e. Approving and adopting the preliminary placement document dated September 30, 2021, together with the application form in connection with the Issue.

We further wish to inform you that the 'relevant date' for the purpose of the Issue, in terms of Regulation 171 (b)(i) of the SEBI ICDR Regulations, is September 30, 2021, and the floor price in respect of the Issue has been determined according to the same, based on the pricing formula as prescribed under Regulation 176(1) of the SEBI ICDR Regulations.

Pursuant to Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the Shareholders accorded through a special resolution passed through Extra-ordinary General Meeting through Video Conferencing ("VC") /

Other Audio-Visual Means ("OAVM") facility on September 24, 2021, the Company may at its discretion offer a discount of not more than 5% on the floor price for the Issue.

The meeting of the Committee commenced at 5.45 pm and concluded at 6.40 p.m.

We also wish to inform you that a meeting of the Committee is scheduled to be held on October 5, 2021 to , *inter alia*, consider and approve the issue price, including a discount if any thereto, as permitted under the SEBI ICDR Regulations and to consider, determine, and approve the date of closing of the Issue, pursuant to the approval of the shareholders of our Company accorded through their special resolution passed through Extra-ordinary General Meeting through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") facility on September 24, 2021, for the Equity Shares to be allotted to qualified institutional buyers, pursuant to the Issue.

We request you to kindly take this on records, and the same be treated as compliance under Regulation 29(1) and 30 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015, as amended. A certified copy of the resolution passed by the Fund Raising Committee deciding to open the proposed QIP is enclosed for your information and records.

In relation to the Issue, we will file the preliminary placement document with your office today.

Thanking you

For Phillips Carbon Black Limited

Mr. Kaushik Mukherjee
Company Secretary and Chief Legal Officer

S.R. BATLIBOI & CO. LLP
Chartered Accountants

22, Camac Street
3rd Floor, Block 'B'
Kolkata – 700 016, India

Tel: +91 33 6134 4000

Review Report

Review Report to
The Board of Directors
Phillips Carbon Black Limited

We have reviewed the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of **Phillips Carbon Black Limited** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the special purpose interim condensed consolidated Balance Sheet as at June 30, 2021, and the related special purpose interim condensed consolidated Statement of Profit and Loss (including the condensed statement of other comprehensive income), special purpose interim condensed consolidated Statement of Changes in Equity and special purpose interim condensed consolidated Statement of Cash Flows for the three months ended June 30, 2021, and a condensed summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Interim Condensed Consolidated Financial Statements").

Management's Responsibility for the Financial Statements

This Special Purpose Interim Condensed Consolidated Financial Statements, which is the responsibility of the Holding Company's management and have been approved by the Fund Raising Committee of the Board of Directors of the Holding Company, has been prepared in accordance with the principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. These Special Purpose Interim Condensed Consolidated Financial Statements have been prepared solely in connection with the proposed offering of equity shares by the Company in a Qualified Institutions Placement in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). Our responsibility is to express a conclusion on the Special Purpose Interim Condensed Consolidated Financial Statements based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Special Purpose Interim Condensed Consolidated Financial Statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Interim Condensed Consolidated Financial Statements are not prepared, in all material respects, in accordance with the principles of Ind AS-34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Other matters

1. The Special Purpose Interim Condensed Consolidated Financial Statements includes the unaudited interim financial statements and other financial information in respect of two subsidiaries, ,whose unaudited interim financial statements reflect total assets of Rs 74.59 crore as at June 30, 2021, total revenues of Rs Nil and net cash inflows of Rs 0.15 crore for the three months ended June 30, 2021 as considered in the Special Purpose Interim Condensed Consolidated Financial Statements, which have been reviewed by their respective independent auditors.



The independent auditor's report on interim financial statements/ financial information of these entities have been furnished to us by the Company's management and our conclusion on the Special Purpose Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors.

2. The Special Purpose Interim Condensed Consolidated Financial Statements includes the unaudited interim financial statements and other financial information in respect of one subsidiary, whose unaudited interim financial statements reflect total assets of Rs 30.81 crore as at June 30, 2021, total revenues of Rs Nil and net cash inflows of Rs Nil for the three months ended June 30, 2021 as considered in the Special Purpose Interim Condensed Consolidated Financial Statements, which has not been reviewed by any auditor and has been approved and furnished to us by the Company's management and our conclusion on the Special Purpose Interim Condensed Consolidated Financial Statements, in so far its relates to the affairs of this subsidiary is based solely on such unaudited financial statements and other financial information. According to the information and explanations given to us by the Company's management, this interim financial statements/ information is not material to the Group.

   Our conclusion on the Special Purpose Interim Condensed Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Company's management.

3. We have not audited or reviewed the comparative financial information for the corresponding previous three months ended June 30, 2020 appearing in the Special Purpose Interim Condensed Consolidated Financial Statements , which are solely based on management certified accounts of the Group.

4. These Special Purpose Interim Condensed Consolidated Financial Statements have been prepared for the purpose of the proposed offering of equity shares by the Company in a Qualified Institutions Placement as referred in Note 2(ii) of the accompanying Special Purpose Interim Condensed Consolidated Financial Statements. We do not accept or assume responsibility for any other purpose except as expressly agreed by our prior consent in writing.

5. The Group had prepared separate Statement of Unaudited Consolidated Financial Results (the "Consolidated Financial Results") for the quarter ended June 30, 2021, in accordance with the principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting", on which we had issued a separate auditor's review report dated July 26, 2021. These Unaudited Consolidated Financial Results were prepared for submission by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Kamal Agarwal
Partner
Membership No.: 058652

UDIN: 21058652AAAADQ9087

Place: Kolkata
Date: September 30, 2021

Special Purpose Interim Condensed Consolidated Balance Sheet as at 30 June, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at 30 June, 2021 (Unaudited)	As at 31 March, 2021 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,688.99	1,631.00
Capital work-in-progress		218.07	266.76
Investment property		4.48	4.48
Intangible assets		0.58	0.65
Right of use assets		103.19	106.29
Financial assets			
(i) Investments	4	234.59	196.27
(ii) Loans		1.07	1.23
(iii) Other financial assets		27.53	27.43
Non current tax assets (Net)		-	5.16
Other non-current assets		24.13	17.40
Total Non-current assets		**2,302.63**	**2,256.67**
Current assets			
Inventories		435.01	444.84
Financial assets			
(i) Investments	4	160.05	-
(ii) Trade receivables		851.08	707.53
(iii) Cash and cash equivalents	5	116.36	152.22
(iv) Other bank balances	6	138.63	112.16
(v) Loans		0.47	0.56
(vi) Other financial assets		21.71	19.40
Other current assets		57.22	32.67
Total Current assets		**1,780.53**	**1,469.38**
TOTAL ASSETS		**4,083.16**	**3,726.05**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital		34.47	34.47
Other equity		2,039.89	1,901.00
Equity attributable to Equity Holders of the Parent		**2,074.36**	**1,935.47**
Non-Controlling Interest		7.78	7.53
TOTAL EQUITY		**2,082.14**	**1,943.00**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	7	281.43	304.74
(ii) Lease Liabilities		92.65	98.62
Provisions		0.86	0.86
Deferred tax liabilities (Net)		274.81	271.42
Total Non-current liabilities		**649.75**	**675.64**
Current liabilities			
Financial Liabilities			
(i) Borrowings	7	578.16	302.05
(ii) Lease Liabilities		21.70	18.44
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		13.45	13.26
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		569.84	578.37
(iv) Other financial liabilities		69.09	84.03
Provisions		81.38	84.39
Current tax liabilities (Net)		2.01	0.06
Other current liabilities		15.64	26.81
Total Current liabilities		**1,351.27**	**1,107.41**
TOTAL LIABILITIES		**2,001.02**	**1,783.05**
TOTAL EQUITY AND LIABILITIES		**4,083.16**	**3,726.05**

The accompanying notes are an integral part of the special purpose interim condensed consolidated financial statements.
As per our report of even date

For S. R Batliboi & Co. LLP
ICAI Firm Registration Number 301003E/E300005
Chartered Accountants

Kamal Agarwal
Partner
Membership Number: 058652

Kolkata
Date: September 30, 2021

For and on behalf of Board of Directors of Phillips Carbon Black Limited

Kaushik Roy
Managing Director
(DIN: 06513489)

Kaushik Mukherjee
Company Secretary

Rusha Mitra
Director
(DIN: 08402204)

Raj Kumar Gupta
Chief Financial Officer

PHILLIPS CARBON BLACK LIMITED

Special Purpose Interim Condensed Consolidated Statement of Profit and Loss for the three months ended 30 June, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Period ended 30 June, 2021 (Unaudited)	Period ended 30 June, 2020 (Unaudited) Refer note 2(ii)
Revenue from operations	8	1,003.85	359.53
Other income		3.78	2.88
Total Income		**1,007.63**	**362.41**
Expenses			
Cost of materials consumed		679.28	238.42
Changes in inventories of finished goods		(7.35)	(3.52)
Employee benefits expense		36.06	31.14
Finance costs		7.61	11.37
Depreciation and amortisation expense		29.19	27.07
Other expenses		132.27	55.02
Total Expenses		**877.06**	**359.50**
Profit before tax		**130.57**	**2.91**
Income-tax expense			
Current tax (Net of utilisation of minimum alternate tax credit)		27.16	0.46
Deferred tax		(1.06)	(0.09)
Total tax expense		**26.10**	**0.37**
Profit for the period		**104.47**	**2.54**
Other Comprehensive Income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange difference on translation of foreign exchange		1.03	0.87
Items that will not to be reclassified to profit or loss, net of taxes			
Re-measurement loss on post-employment defined benefit-plans (net of tax)		(0.10)	(0.45)
Net gain/(loss) on FVTOCI equity instruments (net of tax)		33.74	34.68
Other Comprehensive Income for the period, net of tax		**34.67**	**35.10**
Total Comprehensive Income for the period, net of tax		**139.14**	**37.64**
Profit for the period Attributable to: -			
Owners of the Equity		**104.39**	**2.49**
Non-Controlling Interest		**0.08**	**0.05**
Other Comprehensive Income for the period Attributable to: -			
Owners of the Equity		**34.50**	**34.97**
Non-Controlling Interest		**0.17**	**0.13**
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO: -			
Owners of the Equity		**138.89**	**37.46**
Non-Controlling Interest		**0.25**	**0.18**
Earning per equity share :	11		
[Nominal Value per share - Rs. 2/- (Previous period - Rs.2/-)]			
Basic (Rs.)		**6.06**	**0.15**
Diluted (Rs.)		**6.06**	**0.15**

The accompanying notes are an integral part of the special purpose interim condensed consolidated financial statements.
As per our report of even date

For S. R Batliboi & Co. LLP
ICAI Firm Registration Number 301003E/E300005
Chartered Accountants

Kamal Agarwal
Partner
Membership Number: 058652

Kolkata
Date: September 30, 2021

For and on behalf of Board of Directors of Phillips Carbon Black Limited

Kaushik Roy
Managing Director
(DIN: 06518489)

Rusha Mitra
Director
(DIN: 08402204)

Kaushik Mukherjee
Company Secretary

Raj Kumar Gupta
Chief Financial Officer

PHILLIPS CARBON BLACK LIMITED

Special Purpose Interim Condensed Consolidated Statement of Cash Flows for the three months ended 30 June, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Period Ended 30 June, 2021 (Unaudited)		Period Ended 30 June, 2020 (Unaudited) refer note 2(ii)	
A. Cash Flow from Operating Activities				
Profit before Tax		130.57		2.91
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expenses	29.19		27.07	
Finance costs	7.61		11.37	
Allowance for doubtful debts / expected credit losses - trade receivables	-		0.83	
Interest income from certain financial assets	(2.16)		(1.31)	
Exchange differences on translation of foreign subsidiaries	1.03		0.87	
(Gain) / Loss on sale/fair valuation of investments carried at FVTPL	(0.24)		(1.41)	
(Profit)/Loss on disposal/discard of property, plant and equipment **	0.38		0.00	
Provisions for claims and litigations written back (net)	(4.14)		-	
Unrealised Foreign exchange differences (net)	(1.25)		11.94	
		30.42		49.36
Operating profit before changes in operating assets and liabilities		**160.99**		**52.27**
Working capital adjustments				
(Increase)/Decrease in inventories	9.83		(115.96)	
(Increase)/Decrease in trade receivables	(140.55)		207.79	
(Increase)/Decrease in other financial and non-financial assets	(24.03)		27.47	
Increase/(Decrease) in trade payables	(7.36)		(36.50)	
Increase/(Decrease) in other financial and non-financial liabilities	(15.81)		(0.58)	
		(177.92)		82.22
Cash generated from operations		**(16.93)**		**134.49**
Income taxes paid (net of refunds)		(20.00)		2.07
NET CASH FLOWS (USED IN) / GENERATED FROM OPERATING ACTIVITIES		**(36.93)**		**136.56**
B. Cash Flow from Investing Activities				
Purchase of property, plant and equipment	(44.86)		(2.77)	
Proceeds from disposal of property, plant and equipment **	0.00		(0.00)	
Purchase of current investments	(519.97)		(620.50)	
Proceeds from sale/redemption of current investments	360.16		410.00	
Fixed deposits placed with banks	(27.51)		-	
Interest received	0.27		0.32	
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(231.91)**		**(212.95)**
C. Cash Flow from Financing Activities				
Proceeds from non-current borrowings	70.00		-	
Repayment of non-current borrowings	(86.33)		(34.00)	
Payment of lease liabilities, including interest thereon	(7.22)		(7.16)	
Increase /(decrease) in cash credit facilities from banks	74.92		(64.78)	
Proceeds from current borrowings	368.48		326.86	
Repayment of current borrowings	(177.00)		(175.00)	
Finance cost paid	(9.87)		(11.61)	
NET CASH FLOWS FROM FINANCING ACTIVITIES		**232.98**		**34.31**
Net decrease in Cash and Cash Equivalents		**(35.86)**		**(42.08)**
Opening Cash and Cash Equivalents		152.22		149.42
Closing Cash and Cash Equivalents		**116.36**		**107.34**

Changes in liabilities arising from financing activities

Particulars	1 April, 2021	Cash Flows	Others	30 June, 2021
Current borrowings (excluding Current maturities of long term debt)	256.92	266.40	2.21	525.53
Lease Liability	117.06	(7.22)	4.51	114.35
Non-current borrowings (including Current Maturities)	349.87	(16.33)	0.52	334.06
Total liabilities from financing activities	**723.85**	**242.85**	**7.24**	**973.94**

Particulars	1 April, 2020	Cash Flows	Other	30 June, 2020
Current borrowings (excluding Current maturities of long term debt)	329.67	87.08	4.83	421.58
Lease Liability	132.94	(7.16)	2.69	128.47
Non-current borrowings (including Current Maturities)	287.30	(34.00)	(2.19)	251.11
Total liabilities from financing activities	**749.91**	**45.92**	**5.33**	**801.16**

** Amount is below the rounding off norm adopted by the Company.

Accounting Policy

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

As per our report of even date

For S. R Batliboi & Co. LLP
ICAI Firm Registration Number 301003E/E300005
Chartered Accountants

Kamal Agarwal
Partner
Membership Number 058652

Kolkata,
Date: September 30, 2021

S R Batliboi & Co. LLP Kolkata

For and on behalf of Board of Directors of Phillips Carbon Black Limited

Kaushik Roy
Managing Director
(DIN: 06518489)

Rusha Mitra
Director
(DIN: 08402204)

Kaushik Mukherjee
Company Secretary

PHILLIPS CARBON BLACK LTD. KOLKATA

Raj Kumar Gupta
Chief Financial Officer

PHILLIPS CARBON BLACK LIMITED
Special Purpose Interim condensed Consolidated Statement of Changes in Equity for the three months ended 30 June, 2021

(All amounts in ₹ Crores, unless otherwise stated)

A. Equity share capital

Particulars	As at 30 June, 2021		As at 30 June, 2020	
	No of shares	Amount	No of shares	Amount
Equity shares of Rs 2/- (31 March, 2021 Rs. 2/-) each issued, subscribed and paid up:				
Opening balance	17,23,37,860	34.47	17,23,37,860	34.47
Closing balance	17,23,37,860	34.47	17,23,37,860	34.47

B. Other equity

Particulars	Reserves and Surplus					Other reserves		Non-Controlling Interest	Total other equity
	Capital reserve	Securities premium	General reserve	Statutory Reserve	Retained earnings	Fair value through other comprehensive income reserve	Other items of Comprehensive Income - FCTR		
As at 1 April, 2021	1.53	224.12	73.38	0.60	1,478.65	120.60	2.12	7.53	1,908.53
Profit for the period	-	-	-	-	104.39	-	-	0.08	104.47
Other comprehensive income for the period (net of tax)	-	-	-	-	(0.10)	33.74	0.86	0.17	34.67
As at 30 June, 2021	1.53	224.12	73.38	0.60	1,582.94	154.34	2.98	7.78	2,047.67

Particulars	Reserves and Surplus					Other reserves		Non-Controlling Interest	Total other equity
	Capital reserve	Securities premium	General reserve	Statutory Reserve	Retained earnings	Fair value through other comprehensive income reserve	Other items of Comprehensive Income - FCTR		
As at 1 April, 2020	1.53	224.12	73.38	0.60	1,285.90	76.50	2.62	7.27	1,671.92
Profit for the period	-	-	-	-	2.49	-	-	0.05	2.54
Other comprehensive income for the period (net of tax)	-	-	-	-	(0.45)	34.68	0.74	0.13	35.10
As at 30 June, 2020	1.53	224.12	73.38	0.60	1,287.94	111.18	3.36	7.45	1,709.56

The accompanying notes are an integral part of the special purpose interim condensed consolidated financial statements.
As per our report of even date

For S. R Batliboi & Co. LLP
ICAI Firm Registration Number 301003E/E300005
Chartered Accountants

Kamal Agarwal
Partner
Membership Number: 058652

Kolkata
Date: September 30, 2021

For and on behalf of Board of Directors of Phillips Carbon Black Limited

Kaushik Roy
Managing Director
(DIN: 06513489)

Rusha Mitra
Director
(DIN: 08402204)

Kaushik Mukherjee
Company Secretary

Raj Kumar Gupta
Chief Financial Officer

S R Batliboi & Co. LLP Kolkata

PHILLIPS CARBON BLACK LTD. KOLKATA

Phillips Carbon Black Limited
Notes to the Special Purpose Interim Condensed Consolidated Financial statements as at and for the three months ended June 30, 2021

1. Corporate Information

The Special Purpose Interim Condensed Consolidated Financial Statements comprise financial statements of Phillips Carbon Black Limited (the "Company") and its subsidiaries (collectively, the "Group") for the three months period ended 30 June 2021. The Company is a public company limited by shares domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Group is primarily engaged in the business of manufacturing & sale of carbon black and sale of power as detailed under segment information in Note 13. Equity shares of the Company are listed on BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited. The registered office of the Company is located at Duncan House, 31, Netaji Subhas Road, Kolkata 700001, West Bengal, India.

2. Basis of Preparation and Other Significant Accounting Policies

i. Compliance with Ind AS

The Special Purpose Interim Condensed Consolidated Financial Statements of the Group have been prepared in accordance with the principles laid down in Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time, read with relevant rules issued thereunder and other accounting principles generally accepted in India. The consolidated financial statements are presented in Indian Rupee (Rs), which is the Company's functional and the Group's presentation currency. The accounting policies adopted in the preparation of these financial statements are consistent with those followed in preparation of the audited annual financial statements as at and for the year ended March 31, 2021.
The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are effective from April 1, 2021. These amendments require certain regroupings in the Schedule III format of Balance Sheet. The Group has given effect of such regroupings in its financial statements including figures for the corresponding previous period wherein:

a) Current maturities of long term debt has been regrouped from "Other financial liabilities" in the Audited Financial Statements to "Current Borrowings" in the Special Purpose Interim Condensed Consolidated Financial Statements.
b) Lease Liabilities are presented separately as "Lease Liabilities" in the Special Purpose Interim Condensed Consolidated Financial Statements and not grouped under "Other financial liabilities" as presented in the Audited Financial Statements.
c) Security Deposits has been regrouped from "Loans" in the Audited Financial Statements to "Other financial assets" in the Special Purpose Interim Condensed Consolidated Financial Statements.

ii. Purpose of the Special Purpose Interim Condensed Consolidated Financial Statements

These Special Purpose Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's latest audited annual Ind AS financial statements. These Special Purpose Interim Condensed Consolidated Financial Statements have been prepared solely in connection with the proposed offering of equity shares of face value of Rs 2 each by the Company in a Qualified Institutions Placement in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations"), as amended. The comparative financial informations for the corresponding previous three months ended June 30, 2020 appearing in the Special Purpose Interim Condensed Consolidated Financial Statements is based solely on management certified accounts of the Group.

These Special Purpose Interim Condensed Consolidated Financial Statements for the three months period ended 30 June 2021 of the Group were approved in accordance with the resolution passed by the Fund Raising Committee of Board of Directors of the Company on September 30, 2021.

iii.Historical cost convention

These consolidated financial statements have been prepared on a historical cost basis, except the following, which are measured at fair values :-

i) certain financial assets and liabilities (including derivative instruments).
ii) Plan assets of defined benefit employee benefit plans

PHILLIPS CARBON BLACK LTD. KOLKATA

S R Batliboi & Co. LLP Kolkata

iv. Principles of Consolidation

a. Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.
Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

b. The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in any subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

c. The subsidiary companies considered in the financial statements are as follows:

Name	Country of Incorporation	% of ownership interest as on 30 June 2021	% of ownership interest as on 31 March, 2021	% of ownership interest as on 30 June, 2020
Phillips Carbon Black Cyprus Holdings Limited	Cyprus	100	100	100
Phillips Carbon Black Vietnam Joint Stock Company	Vietnam	80	80	80
PCBL (TN) Limited	India	100	100 Refer Note (i) below	Refer Note (i) below

Note

i. PCBL (TN) Limited, a wholly owned subsidiary of Phillips Carbon Black Limited, has been incorporated with effect from 29 September, 2020. The Special Purpose Interim Condensed Consolidated Financial Statements for the three months period ended 30 June, 2021 includes the Financial Statements of PCBL (TN) Limited and hence are not comparable with the corresponding previous period.

v. New and amended standards

Amendments and interpretations as outlined below apply for the three months period ended 30 June 2021, but do not have an impact on the Special Purpose Interim Condensed Consolidated Financial Statements.

a. Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116
b. Conceptual framework for financial reporting under Ind AS issued by ICAI
c. Ind AS 116: COVID-19 related rent concessions
d. Ind AS 103: Business combination
e. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

PHILLIPS CARBON BLACK LTD. KOLKATA

S R Batliboi & Co. LLP Kolkata

3. Property, Plant and Equipment

Accounting Policy

All items of property, plant and equipment are stated either at historical cost i.e. cost of acquisition construction or at deemed cost as on the date of transition to Ind AS less accumulated depreciation, impairment loss, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced component is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation

In case of certain property, plant and equipment, depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets which are different than the rates prescribed under the Schedule II to the Companies Act 2013. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of Plant & Equipment and Electrical Installations over estimated useful life of 18 to 20 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation on historical cost/deemed cost of other property, plant and equipment (except land) is provided on pro rata basis on straight line method based on useful lives specified in Schedule II to the Companies Act, 2013. The useful lives, residual values and method of depreciation of property plant and equipment are reviewed and adjusted, if appropriate at the end of each reporting year. An item of property, plant and equipment or its components recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. The cost of property plant and equipment not ready to use are disclosed under capital work in progress.

PHILLIPS CARBON BLACK LTD. KOLKATA

S R Batliboi & Co. LLP Kolkata

(All amounts in ₹ Crores, unless otherwise stated)

Note 3 : (contd..) Property, Plant and Equipment

	Freehold Land	Leasehold Land	Buildings (i)	Non-Factory Buildings and Flats	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Electrical Installations	Railway Sidings	Total
Period ended 30 June, 2021											
Gross carrying amount											
Opening balance as at 1 April ,2021	202.06	429.70	82.17	103.18	1,167.25	7.71	9.79	0.18	37.36	0.01	2,039.41
Additions during the period	-	-	4.86	0.17	69.30	-	0.30	-	7.70	-	82.33
Disposal during the period	-	-	-	-	(2.00)	-	(0.01)	-	(0.00)	-	(2.01)
Closing Gross carrying amount	**202.06**	**429.70**	**87.03**	**103.35**	**1,234.55**	**7.71**	**10.08**	**0.18**	**45.06**	**0.01**	**2,119.73**
Accumulated Depreciation											
Opening balance as at 1 April, 2021	-	-	20.03	9.73	357.83	2.52	6.86	0.18	11.25	0.01	408.41
Depreciation during the period	-	-	0.93	0.75	20.82	0.34	0.41	-	0.69	-	23.94
Adjustment of depreciation on disposal	-	-	-	-	(1.60)	-	(0.01)	-	(0.00)	-	(1.61)
Closing Accumulated Depreciation	**-**	**-**	**20.96**	**10.48**	**377.05**	**2.86**	**7.26**	**0.18**	**11.94**	**0.01**	**430.74**
Net carrying amount as at 30 June, 2021	**202.06**	**429.70**	**66.07**	**92.87**	**857.50**	**4.85**	**2.82**	**-**	**33.12**	**-**	**1,688.99**
Year ended 31 March, 2021											
Gross carrying amount											
Opening balance as at 1 April, 2020	202.06	429.20	77.18	91.47	990.87	7.05	7.36	0.18	24.02	0.01	1,829.40
Additions during the year	-	0.50	4.99	11.71	176.38	0.69	2.60	-	13.34	-	210.21
Disposal during the year	-	-	-	-	-	(0.03)	(0.17)	-	-	-	(0.20)
Closing Gross carrying amount	**202.06**	**429.70**	**82.17**	**103.18**	**1,167.25**	**7.71**	**9.79**	**0.18**	**37.36**	**0.01**	**2,039.41**
Accumulated Depreciation											
Opening balance as at 1 April, 2020	-	-	16.04	7.02	280.50	1.24	5.64	0.17	9.33	0.01	319.95
Depreciation during the year	-	-	3.99	2.71	77.33	1.30	1.39	0.01	1.92	-	88.65
Adjustment of depreciation on disposal	-	-	-	-	-	(0.02)	(0.17)	-	-	-	(0.19)
Closing Accumulated Depreciation	**-**	**-**	**20.03**	**9.73**	**357.83**	**2.52**	**6.86**	**0.18**	**11.25**	**0.01**	**408.41**
Net carrying amount as at 31 March, 2021	**202.06**	**429.70**	**62.14**	**93.45**	**809.42**	**5.19**	**2.93**	**-**	**26.11**	**-**	**1,631.00**

(i) Cost and accumulated depreciation includes Rs.47.86 Crores (31 March, 2021 - Rs. 47.86 Crores) and Rs.11.66 Crores (31 March, 2021 - Rs. 11.21 Crores), respectively in respect of Buildings on Leasehold Land.

(ii) The Group has borrowings from banks, which carry security charge over certain movable properties of the Company.[Refer note (7) for details.]

(iii) Gross carrying amount on leasehold land is against certain lease agreements where the Group has an option to renew the properties on expiry of the lease period. The Group based on terms and conditions of lease agreements has assessed these lease arrangements to be perpetual in nature, accordingly leasehold land is not amortised.

PHILLIPS CARBON BLACK LTD. KOLKATA

S R Batliboi & Co. LLP Kolkata

	As at 30 June, 2021	As at 31 March, 2021

Note 4 : INVESTMENTS

Accounting Policy

1 Investment

1.1. Classification

The Group classifies its investments as those to be measured subsequently at fair value (either through other comprehensive income or through profit and loss).

The classification depends on the Group's business model for managing the investments and the contractual terms of cash flows.

For investments measured at fair value, gains and losses is either recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies the debt investments when and only when the business model for managing those investment changes.

1.2. Measurement

At initial recognition, the Group measures an investment at its fair value plus, in the case of investment not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the investment. Transaction costs of investments carried at fair value through profit and loss are expensed in the statement of profit and loss.

(a) Debt Instrument

Subsequent measurement of debt instruments depends on the Group's business model for managing the investment and the cash flow characteristics of the investment. The Group classifies its debt instruments as:

Fair value through profit and loss : Investments that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss is recognised in statement of profit and loss and presented on net basis in the statement of profit and loss within other income/ other expense in the period in which it arises.

(b) Equity Instrument

The Group subsequently measures all equity investments at fair value through Other Comprehensive Income and there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss. At the time of derecognition of such investments, the gain or loss is transferred to retained earnings.

Non-Current			
Investments in Equity Instruments (fully paid-up) - Others			
Quoted			
Bank of Baroda 35,930 (31 March, 2021: 35,930) equity shares of Rs. 2/- each **		0.31	0.27
Indian Overseas Bank 11,400 (31 March, 2021: 11,400) equity shares of Rs. 10/- each **		0.03	0.02
Norplex Oak India Limited 380,000 (31 March, 2021: 380,000) equity shares of Rs 10/- each ^		-	-
Maple Circuits Limited 765,000 (31 March, 2021: 765,000) equity shares of Rs. 10/- each ^		-	-
CESC Limited 1,686,198 (31 March, 2021: 1,686,198) equity shares of Rs. 10/- each **		129.82	100.08
RPSG Ventures Limited (Erstwhile: CESC Ventures Limited) 337,239 (31 March, 2021: 337,239) equity shares of Rs. 10/- each **		18.97	11.37
Spencers Retail Limited 1,146,613 (31 March, 2021: 1,146,613) equity shares of Rs. 5/- each **		8.88	8.10
	Total (A)	158.01	119.84
Unquoted			
Apeejay Charter Private Limited 1,600 (31 March, 2021: 1,600) equity shares of Rs 10/- each **		0.04	0.04
RPSG Resources Private Limited (Erstwhile: Accurate Commodeal Pvt. Limited) 390,000 (31 March, 2021: 390,000) equity shares of Rs.10/- each **		8.72	8.72
Woodlands Multispeciality Hospital Limited 145,480 (31 March, 2021: 145,480) equity shares of Rs.10/- each **		7.74	7.74
Ritushree Vanijya Private Limited 1,900 (31 March, 2021: 1,900) equity Shares of Rs.10/- each **		14.36	14.36
Solty Commercial Private Limited 1,900 (31 March, 2021: 1,900) equity Shares of Rs.10/- each **		14.36	14.36
Spotboy Tracom Private Limited 330,875 (31 March, 2021: 330,875) equity shares of Rs.10/- each **		22.15	22.15
RPG Industries (P) Ltd. 402,000 (31 March, 2021: 402,000) equity shares of Rs.10/- each **		1.34	1.34
	Total (B)	68.71	68.71
Investments in Preference Shares (fully paid-up) - Others			
Unquoted			
Devise Properties Private Ltd. 1,050,000 (31 March, 2021: 1,050,000) 0% Convertible Preference Shares of Rs. 100/- each at par #		7.87	7.72
Norplex Oak India Limited 50 (31 March, 2021: 50) preference shares of Rs 100/- each ^		-	-
Maple Circuits Limited 50 (31 March, 2021: 50) preference shares of Rs 100/- each ^		-	-
	Total (C)	7.87	7.72
	(D)=(A)+(B)+ (C)	234.59	196.27

PHILLIPS CARBON BLACK LTD. KOLKATA

S R Batliboi & Co. LLP Kolkata

		As at 30 June, 2021	As at 31 March, 2021
	Current		
	Investments in Mutual Funds #		
	Unquoted		
	ICICI Prudential Overnight Fund Direct Plan Growth 14,309,308.436 Units (31 March, 2021: Nil) of face value Rs 100/- each	160.05	-
		160.05	-
1	Additional Information		
	(a) Aggregate amount - market value of quoted investments	158.01	119.84
	(b) Aggregate amount of unquoted investments	236.63	76.43

Investments carried at Fair value through profit and loss

** Investments carried at Fair value through Other Comprehensive Income (FVOCI) - Refer note 2 below

^ The cost of quoted and unquoted investments in equity instruments (fully paid up) and preference shares (fully paid up) respectively have been written off in the past, though quantity thereof appears in the books

2 These investments in equity instruments are not held for trading. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVOCI as the management believes that this provides a more meaningful presentation for long term investments, than reflecting changes in fair values immediately in statement of profit and loss. Based on the aforesaid election, fair value changes are accumulated within Equity under "Fair Value Changes through Other Comprehensive Income - Equity Instruments". The Group transfers amounts from this reserve to retained earnings when relevant equity shares are derecognized.

Note 5: CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents comprise cash at bank, cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Balances with banks	108.84	118.24
Deposits with original maturity of less than three months	7.44	33.76
Remittances in transit	-	0.17
Cash on Hand	0.08	0.05
	116.36	152.22

Note 6: OTHER BANK BALANCES

Balances with Banks		
- Deposits with original maturity of more than three months but less than twelve months#	134.75	107.24
- In Unpaid Dividend Accounts *	3.88	4.92
	138.63	112.16

* Earmarked for payment of Unclaimed Dividends

These Deposits are callable deposit at any point of time at various rates of interest applicable as per actual period of withdrawal.





(All amounts in ₹ Crores, unless otherwise stated)

	As at 30 June, 2021	As at 31 March, 2021

Note 7: BORROWINGS

Accounting Policy

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the borrowings to the extent that it is probable that some or all of the facility will be utilised. In this case, the fee is deferred until the draw down occurs. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current and non-current liabilities based on repayment schedule agreed with banks.

(i) Non-current borrowings

SECURED LOANS		
Term loans from Banks	334.06	349.87
Less: Current maturities of long term debt [Refer (ii) below]	(52.63)	(45.13)
	281.43	304.74

Out of the Term Loans in (i) above, loans amounting to :

a) Rs. 334.06 Crores (31 March 2021 - Rs. 295.48 Crores) are secured with a first charge by way of a hypothecation over all moveable properties of the Company both present and future, ranking pari passu with charge created in favour of other term lenders.

b) Rs.Nil (31 March 2021 - Rs.54.39 Crores) is secured with a first charge by way of a hypothecation on the entire fixed assets of the company both present and future ranking pari passu with charge created in favour of other term lenders.

Maturity Profile of Long Term Borrowings		
Loan with residual maturity of upto 1 and 3 years	58.67	66.00
Loan with residual maturity of upto 3 and 5 years	34.93	54.39
Loan with residual maturity of upto 5 and 10 years	240.46	229.48
	334.06	349.87

Interest rate on Rupee loans from Banks are based on spread over respective Lenders benchmark rate and that of Foreign Currency Loans are based on spread over LIBOR. All of the above are repayable in periodic instalments over the maturity period of the respective loans.

(ii) Current Borrowings

SECURED LOANS FROM BANKS		
Loans repayable on demand	74.92	-
Other loans	-	31.92

a) Nature of Security

Secured by first charge by way of hypothecation of all the Company's current assets, namely all the stock of raw material, stock in process, semi finished goods and finished goods, consumable stores and spares not relating to plant and machinery (consumable and spares) both present and future, bills receivable, bills whether documentary or clean, outstanding monies, receivable, book debts and all other current assets of the Company both present and future , ranking pari passu without any preference or priority of one over the others.

Current maturities of long term debt [Refer Note(i) above]	52.63	45.13
UNSECURED LOANS		
Loans repayable on demand		
- From Banks	255.00	225.00
Other Loan from Bank	195.61	-
	578.16	302.05

PHILLIPS CARBON BLACK LTD. KOLKATA

S R Batliboi & Co. LLP Kolkata

(All amounts in ₹ Crores, unless otherwise stated)

	Period ended 30 June, 2021	Period ended 30 June, 2020

NOTE 8: REVENUE FROM OPERATIONS

Accounting Policy

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade and other discounts, rebates and amounts collected on behalf of third parties.

Where the Group is the principal in the transaction, the sales are recorded at their gross values. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). Any amounts received for which the Group does not provide any distinct goods or services are considered as a reduction of purchase cost.

However, Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made and specific criteria have been met for each of the Group's activities as described below.

Sale of carbon black

Revenue from sale of carbon black is recognised when the control of the goods has passed to the buyer as per the terms of contract. In case of domestic sales, the performance obligation is satisfied upon delivery of the finished goods at customer's location. In case of export sales, the performance obligation is satisfied once the goods are shipped and the bill of lading has been obtained.

Sale of power

Revenue from the sale of power is recognised upon transmission of units to the buyer net of Unscheduled Interchange gains/losses as per the terms of contract with the customer.

Other Operating revenues

Exports entitlements (arising out of duty draw back, Merchandise exports from India Schemes) are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Sales of Finished Goods		
Carbon black	981.10	347.14
Sale of Power	16.04	9.46
Other Operating Revenues		
Scrap sales	2.17	0.40
Exports Incentive	4.54	2.53
Total revenue from operations	1,003.85	359.53





(All amounts in ₹ Crores, unless otherwise stated)

	As at 30 June, 2021	As at 31 March, 2021

NOTE 9: CONTINGENT LIABILITIES

Accounting Policy

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Liabilities for :

(a) (i) Claims against the Company not acknowledged as debts :		
Excise duty matters under dispute	4.04	4.04
Sales tax matter under dispute	0.30	0.30
Service tax matters under dispute	6.26	6.26
Value added tax matters under dispute	1.09	1.09
(ii) Other money for which the Company is contingently liable		
Excise duty matters under dispute	1.57	1.57
(b) Outstanding bank guarantees etc.	6.15	6.25
(c) Guarantees or counter guarantees or counter indemnity given by the Company		
On behalf of bodies corporate and others		
- Limit	0.09	0.09
- Outstanding	0.09	0.09

NOTE 10: COMMITMENTS

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

Property, plant and equipment (net of capital advances)	21.13	26.08

PHILLIPS CARBON BLACK LTD. KOLKATA

S R Batliboi & Co. LLP Kolkata

(All amounts in ₹ Crores, unless otherwise stated)

	Period ended 30 June, 2021	Period ended 30 June, 2020

Note 11: EARNING PER EQUITY SHARE

Accounting Policy

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the equity by the weighted average number of equity shares outstanding during the periods. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

	Basic and Diluted		
(i)	Number of Equity Shares outstanding	17,23,37,860	17,23,37,860
(ii)	Face value of each Equity Share (Rs)	2.00	2.00
(iii)	Profit after Tax available for Equity Shareholders (Rs in Crores)	104.47	2.54
(iv)	Basic and Diluted earnings per Share (Rs) [(iii)/(i)]	6.06	0.15

The Company does not have any dilutive potential equity shares.





NOTE 12: RELATED PARTY TRANSACTIONS

(a) Holding Company

Name	Type	Place of Incorporation	As at 30 June 2021	As at 31 March, 2021
Rainbow Investments Limited	Holding Company	India	50.20%	50.20%

(b) Key management personnel of the Company and the Holding Company with whom transactions have taken place

Name	Relationship
i) Sanjiv Goenka	Chairman and Non Executive Director
ii) Shashwat Goenka	Non Executive Director
iii) Preeti Goenka	Non Executive Director
iv) Kaushik Roy	Managing Director
v) O P Malhotra (Refer Note below)	Non Executive Independent Director
vi) K S B Sanyal (Refer Note below)	Non Executive Independent Director
vii) Paras K Chowdhary	Non Executive Independent Director
viii) Pradip Roy	Non Executive Independent Director
ix) Kusum Dadoo (Resigned with effect from February 4, 2021)	Non Executive Independent Director
x) Rusha Mitra (Appointed with effect from April 8,2021)	Non Executive Independent Director
xi) Raj Kumar Gupta	Chief Financial Officer and holding Directorship in subsidiary Company (w.e.f. 29 September, 2020)
xii) Kaushik Mukherjee	Company Secretary and holding Directorship in subsidiary Company (w.e.f. 29 September, 2020)
xiii) Utpal Saha	Employee holding Directorship in subsidiary Company
xiv) Sunil Bhandari	Employee holding Directorship in Holding Company
xv) Subhranghsu Chakraborty	Person holding Directorship in Holding Company
xvi) Yugesh Kanoria	Person holding Directorship in Holding Company

Note :
O P Malhotra and K S B Sanyal have retired as Non Executive Independent Director with effect from 30 July 2021 on completion of their term.
R K Agarwal has been appointed as Non Executive Independent Director of the Company with effect from 26 July 2021.

(c) Others with whom transactions have taken place during the period

Name	Relationship
RPG Power Trading Company Limited	Fellow Subsidiary
Trade Apartment Private Limited	Fellow Subsidiary
Dynamic Success Projects Private Limited	Fellow Subsidiary
CESC Limited	Company under the control of the Holding Company as per Ind AS-110
RPSG Ventures Limited (Erstwhile: CESC Ventures Limited)	Company under the control of the Holding Company as per Ind AS-110
Spencer's Retail Limited	Company under the control of the Holding Company as per Ind AS-110
Guiltfree Industries Limited	Company under the control of the Holding Company as per Ind AS-110
RPSG Resources Private Limited (Erstwhile: Accurate Commodeal Pvt. Limited)	Company under the control of the Holding Company as per Ind AS-110
Crescent Power Limited	Company under the control of the Holding Company as per Ind AS-110
Alipore Towers Pvt Ltd	Company under the control of the Holding Company as per Ind AS-110
Woodlands Multispeciality Hospital Limited	Fellow Subsidiary
Duncan Brothers & Co. Ltd	Associate of Holding Company
Harrison Malayalam Limited	Associate of Holding Company
Duncan Agency Senior Staff Superannuation Fund No. 3 (Superannuation Fund)	Post Employment Benefit Plan of the Company (Other related parties)
Phillips Carbon Black Limited Employees' Gratuity Fund (Gratuity Fund)	Post Employment Benefit Plan of the Company (Other related parties)
Phillips Carbon Black Limited Staff Provident Institution (Provident Fund)	Post Employment Benefit Plan of the Company (Other related parties)





(All amounts in ₹ Crores, unless otherwise stated)

(d) Details of transaction between the Company and related parties and outstanding balances

Sl. No.	Nature of Transactions	Company under the control of the Holding Company as per Ind AS-110 and Holding Company, Subsidiary and Fellow Subsidiaries		Associates of Holding Company		Key Management Personnel of the Company, Holding company and Subsidiary Company		Other Related Parties		Total	
		Period ended 30 June, 2021	Period ended 30 June, 2020	Period ended 30 June, 2021	Period ended 30 June, 2020	Period ended 30 June, 2021	Period ended 30 June, 2020	Period ended 30 June, 2021	Period ended 30 June, 2020	Period ended 30 June, 2021	Period ended 30 June, 2020
A.	**Transactions**										
1	Accommodation Charges paid	0.03	-	-	-	-	-	-	-	0.03	-
2	Reimbursement of expenses paid	0.06	0.08	-	-	-	-	-	-	0.06	0.08
3	Reimbursement of expenses received	2.65	1.31	-	-	-	-	-	-	2.65	1.31
4	Rent & Flat Maintainance Paid	0.09	0.04	-	-	-	-	-	-	0.09	0.04
5	Purchases of vaccines	0.46	-	-	-	-	-	-	-	0.46	-
6	Power Selling expenses paid	0.52	0.14	-	-	-	-	-	-	0.52	0.14
7	Sale of Power	13.18	7.38	-	-	-	-	-	-	13.18	7.38
8	Advances given	-	-	-	-	-	-	0.03	-	0.03	-
9	Licence Fees	4.00	4.00	-		-	-	-	-	4.00	4.00
10	Contributions paid	-	-	-	-	-	-	1.05	1.67	1.05	1.67
11	Remuneration to Key Management Personnel	-	-	-	-	3.21	2.47	-	-	3.21	2.47
12	Post-employment benefits to Key Management Personnel	-	-	-	-	0.12	0.14	-	-	0.12	0.14
13	Other long-term benefit to Key Management Personnel	-	-	-	-	0.03	0.05	-	-	0.03	0.05
14	Director's Sitting Fees	-	-	-	-	0.09	0.10	-	-	0.09	0.10
15	Director's Commission	-	-	-	-	4.09	-	-	-	4.09	-
16	Loan repaid by Key Management Personnel	-	-	-	-	0.02	0.01	-	-	0.02	0.01

		As at 30 June, 2021	As at 31 March, 2021	As at 30 June, 2021	As at 31 March, 2021	As at 30 June, 2021	As at 31 March, 2021	As at 30 June, 2021	As at 31 March, 2021	As at 30 June, 2021	As at 31 March, 2021
B.	**Closing Balances**										
1	Receivables	47.69	48.25	-	-	0.06	0.08	-	-	47.75	48.33
2	Payables	0.06	0.03	-	-	-	-	-	-	0.06	0.03
3	Investments	174.13	136.01	-	-	-	-	-	-	174.13	136.01

(e) Terms and Conditions
All transactions were made on normal commercial terms and conditions.
All outstanding balances are unsecured and are repayable in cash.

PHILLIPS CARBON BLACK LTD. KOLKATA

S R Batliboi & Co. LLP Kolkata

(All amounts in ₹ Crores, unless otherwise stated)

NOTE 13: SEGMENT

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company.

(a) Description of segments and principal activities

Carbon Black : The Company is primarily engaged in production of Carbon Black through its four manufacturing units located at Durgapur, Kochi, Vadodara and Mundra.

Power: The Company is also engaged in generation of electricity for the purpose of captive consumptions as well as distribution of surplus to outsiders.

The segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statement. Also the Company's borrowings (including finance costs and interest income), income taxes, investments are managed at head office and are not allocated to operating segments.

Inter-Segment transfers being power consumed for manufacture of Carbon Black are based on price paid for power purchased from external sources. Segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the standalone financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

All non-current assets of the Company (excluding certain financial assets) are located in India.

(b) Segment Revenue, Segment Earnings and other information as at / for the period ended:-

Segment Revenue :

Particulars	Period ended 30 June, 2021			Period ended 30 June, 2020		
	Carbon Black	Power	Total	Carbon Black	Power	Total
Revenue from external customers	981.10	16.04	997.14	347.14	9.46	356.60
Other operating Revenues	6.71	-	6.71	2.93	-	2.93
Total revenue from operations	**987.81**	**16.04**	**1,003.85**	**350.07**	**9.46**	**359.53**
Inter-segment revenue	-	17.63	17.63	-	10.01	10.01
Total segment revenue	**987.81**	**33.67**	**1,021.48**	**350.07**	**19.47**	**369.54**

The Company is domiciled in India. The amount of its revenue from external customers broken down by the location of the customers is shown in table below:

Revenue from external customers (excluding other operating revenues)	Period ended 30 June, 2021	Period ended 30 June, 2020
India	687.74	229.96
Other countries	309.40	126.64
Total	**997.14**	**356.60**

Segment Results :

Particulars	Period ended 30 June, 2021			Period ended 30 June, 2020		
	Carbon Black	Power	Total	Carbon Black	Power	Total
Segment profit before interest and tax	180.09	17.20	197.29	35.85	8.78	44.63
Reconciliation to Profit before tax						
Finance Cost	-	-	(7.61)	-	-	(11.37)
Interest Income	-	-	2.16	-	-	1.31
Unallocated expenses (Net)	-	-	(61.27)	-	-	(31.66)
Profit before tax	**180.09**	**17.20**	**130.57**	**35.85**	**8.78**	**2.91**

Depreciation/Amortisation and non cash expenses

Particulars	Period ended 30 June, 2021				Period ended 30 June, 2020			
	Carbon Black	Power	Unallocated	Total	Carbon Black	Power	Unallocated	Total
Depreciation/Amortisation	20.14	6.19	2.86	29.19	20.35	5.88	0.84	27.07
Non cash expense	1.21	-	-	1.21	0.83	-	-	0.83

Segment Assets :

Particulars	As at 30 June, 2021			As at 31 March, 2021		
	Carbon Black	Power	Total	Carbon Black	Power	Total
Segment Assets	2,921.56	332.50	3,254.06	2,766.12	314.61	3,080.73
Reconciliation to total assets						
Investments	-	-	394.64	-	-	196.27
Other unallocable assets	-	-	434.46	-	-	449.05
Total assets as per the balance sheet	**2,921.56**	**332.50**	**4,083.16**	**2,766.12**	**314.61**	**3,726.05**

Particulars	As at 30 June, 2021				As at 31 March, 2021			
	Carbon Black	Power	Unallocated	Total	Carbon Black	Power	Unallocated	Total
Addition to Non current assets other than financial instruments	12.97	24.37	0.28	37.62	127.42	16.03	0.96	144.41

The total of segments assets broken down by location of the assets, is shown below:

Assets by geographical location	As at 30 June, 2021	As at 31 March, 2021
India	2,990.10	2,921.99
other countries	263.96	158.74
Total	3,254.06	3,080.73

Segment Liabilities :

Particulars	As at 30 June, 2021			As at 31 March, 2021		
	Carbon Black	Power	Total	Carbon Black	Power	Total
Total Segment liabilities	691.05	28.28	719.33	650.14	28.32	678.46
Reconciliation to total liabilities						
Borrowings	-	-	859.59	-	-	606.79
Current Tax Liabilities (Net)	-	-	2.01	-	-	0.06
Deferred Tax Liabilities	-	-	274.81	-	-	271.42
Other Unallocated liabilities	-	-	145.28	-	-	226.32
Total liabilities as per the balance sheet	**691.05**	**28.28**	**2,001.02**	**650.14**	**28.32**	**1,783.05**

PHILLIPS CARBON BLACK LTD. KOLKATA

S R Batliboi & Co. LLP Kolkata

NOTE 14: FAIR VALUE MEASUREMENT

(i) The carrying and fair value of financial instruments by category as at the end of the period / year are as follows:

	As at 30 June, 2021			As at 31 March, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Equity instruments	-	226.72	-	-	188.55	-
- Preference Shares	7.87	-	-	7.72	-	-
- Mutual Funds	160.05	-	-	-	-	-
Trade receivables	-	-	851.08	-	-	707.53
Loans	-	-	1.54	-	-	1.79
Cash and cash equivalents	-	-	116.36	-	-	152.22
Other bank balances	-	-	138.63	-	-	112.16
Other Financial Assets	-	-	49.24	-	-	46.83
Total financial assets	**167.92**	**226.72**	**1,156.85**	**7.72**	**188.55**	**1,020.53**
Financial liabilities						
Borrowings	-	-	806.96	-	-	561.66
Current maturities of long term debt	-	-	52.63	-	-	45.13
Derivative financial liabilities	1.93	-	-	0.98	-	-
Trade payables	-	-	583.29	-	-	591.63
Other financial liabilities	-	-	181.51			200.11
Total financial liabilities	**1.93**	**-**	**1,624.39**	**0.98**	**-**	**1,398.53**

(ii) Fair Value

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. The following methods and assumptions were used to estimate the fair values:

(a) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(b) In respect of investments in listed equity instruments, the fair values represents available quoted market price at the Balance Sheet date.

(c) The fair value of derivative contracts (foreign exchange forward contracts and Currency and Interest rate swaps) is determined using discounted cash flow analysis and swaps and options pricing models.

(d) The management assessed that fair values, of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables, current borrowings, other current liabilities and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments. Further, management also assessed the carrying amount of certain non-current loans which are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

(iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

(iv) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measures at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. Explanation of each level follows underneath the table:

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at 30 June, 2021				As at 31 March, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets at FVPL								
Investments in mutual funds	160.05	-	-	160.05	-	-	-	-
Investments in preference shares	-	-	7.87	7.87	-	-	7.72	7.72
Financial assets at FVOCI								
Investments in equity instruments	158.01	-	68.71	226.72	119.84	-	68.71	188.55
Total financial assets	**318.06**	**-**	**76.58**	**394.64**	**119.84**	**-**	**76.43**	**196.27**
Financial liabilities								
Financial liabilities at FVPL								
Foreign-exchange forward contract	-	1.93	-	1.93	-	0.98	-	0.98
Total financial liabilities	**-**	**1.93**	**-**	**1.93**	**-**	**0.98**	**-**	**0.98**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have net asset value as stated by the issuers in the published statements. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the period ended 30 June, 2021 and year ended 31 March, 2021.

PHILLIPS CARBON BLACK LTD. KOLKATA

S R Batliboi & Co. LLP Kolkata

Note 15: The operations of the Group for the three months ended 30 June, 2020 were impacted by disruptions owing to nationwide lockdowns because of COVID-19 pandemic and hence figures for corresponding previous period may not be comparable with the figures for three months ended 30 June, 2021. During the current quarter also, the operations of the Group were slightly impacted due to regional lockdown because of the COVID - 19 pandemic. The Group has made an assessment of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, receivables and other current / non-current assets as of 30 June, 2021 and has concluded that no material adjustments are required in the special purpose interim condensed consolidated financial statements. The Group is taking all the necessary steps and precautionary measures to ensure smooth functioning of its operations and to ensure the safety and well-being of all its employees. Given the criticalities associated with nature, condition and duration of COVID-19, the assessment of recoverability of the Group's assets will be continuously made and provided for as required.

Note 16: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 17: Figures of the previous period / year has been regrouped/rearranged to confirm current period's presentation

As per our report of even date

For S. R Batliboi & Co. LLP
ICAI Firm Registration Number 301003E/E300005
Chartered Accountants

Kamal Agarwal
Partner
Membership Number 058652

Kolkata
Date: September 30, 2021

S R Batliboi & Co. LLP Kolkata

For and on behalf of Board of Directors of Phillips Carbon Black Limited

Kaushik Roy
Managing Director
(DIN: 06513489)

Rusha Mitra
Director
(DIN: 08402204)

Kaushik Mukherjee
Company Secretary

Raj Kumar Gupta
Chief Financial Officer

PHILLIPS CARBON BLACK KOLKATA

CERTIFIED COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE FUND RAISING COMMITTEE OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON 30TH SEPTEMBER,2021 THROUGH VIDEO CONFERENCING

ISSUE OPENING, RELEVANT DATE, FLOOR PRICE AND DISCOUNT

"**RESOLVED THAT** pursuant to the special resolution passed by the shareholders of Phillips Carbon Black Limited (the "**Company**") through Extra-ordinary General Meeting through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") facility on 24th September,2021 and in furtherance of the resolution of the board of directors on August 27, 2021, the proposed issue of equity shares of the Company of face value of ₹ 2 each (the "**Equity Shares**") to eligible qualified institutional buyers through a qualified institutions placement under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, each as amended (the "**Issue**") be opened today, i.e. September 30, 2021, for receiving bids in connection with the Issue and that the Committee shall determine the Issue closing date and the price at which Equity Shares will be issued and allotted in the Issue (the "**Issue Price**") at a meeting of this Committee to be held on October 5, 2021, in accordance with Chapter VI of the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

RESOLVED FURTHER THAT in respect of the Issue, the 'relevant date' for the determination of the floor price at which the Equity Shares shall be issued pursuant to the Issue, in accordance with the terms of Regulation 171(b)(i) of the SEBI ICDR Regulations, shall be the date of this resolution i.e. September 30, 2021 (the "**Relevant Date**").

RESOLVED FURTHER THAT the floor price of ₹ 255.85 per Equity Share (the "**Floor Price**") for the Issue, as calculated based on the pricing formula prescribed under Regulation 176(1) of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations, be and is hereby approved and taken on record by the Committee.

RESOLVED FURTHER THAT in accordance with the proviso to Regulation 176(1) of the SEBI ICDR Regulations and pursuant to the special resolution passed by the shareholders of the Company through Extra-ordinary General Meeting through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") facility on 24th September,2021, the Company, in consultation with the book running lead managers to the Issue, may offer a discount of not more than 5% on the Floor Price so calculated for the Issue.

RESOLVED FURTHER THAT the Committee hereby approves execution of various deeds, documents, confirmations, undertakings, declarations, appointment letters, mandates, authority letters, powers of attorney, forms, other letters and other papers as may be required and to undertake all such acts as are necessary or appropriate in order to complete the Issue, including but not limited to issuing a prior intimation to BSE Limited and National Stock Exchange of India Limited (the "**Stock Exchanges**") in relation to determination of the Issue price, including a discount, if any thereto, in accordance with the SEBI ICDR Regulations, of the Equity Shares to be allotted to qualified institutional buyers, pursuant to the Issue.

RESOLVED FURTHER THAT Mr. Kaushik Roy, Managing Director, Mr. Kaushik Mukherjee, Company Secretary & Chief Legal Officer and Mr. Raj Kumar Gupta, Chief Financial Officer, of the Company, be and are hereby severally authorized to do all

such acts, deeds, matters and things, as may be required including but not limited to liaising with BRLMs, lawyers, advisors, escrow bankers, printers, the Stock Exchanges, the Securities and Exchange Board of India (the "**SEBI**"), the Registrar of Companies, West Bengal at Kolkata, other government and non-government authorities, nodal agencies and all such other agencies, person or persons, to give effect to the above resolutions, including all such acts, deeds, matters and things as may be required by the Stock Exchanges, SEBI or any other governmental or regulatory authority and making necessary applications including for listing of the Equity Shares, in connection with the Issue.

RESOLVED FURTHER THAT Mr. Kaushik Mukherjee, Company Secretary & Chief Legal Officer of the Company is authorized to certify the true copy of the aforesaid resolutions and forward the same to the Stock Exchanges and/or other concerned person or authorities for their record and necessary action."

For PHILLIPS CARBON BLACK LIMITED

COMPANY SECRETARY & CHIEF LEGAL OFFICER